

PUBLIC LAW 101-235—DEC. 15, 1989 103 STAT.
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section. A letter of reprimand shall explain the violation and describe actions the mortgagee should take to correct the violation.

"(B) PROBATION.—The Board may place a mortgagee on probation for a specified period of time not to exceed 6 months for the purpose of evaluating the mortgagee's compliance with Federal Housing Administration requirements, the Equal Credit Opportunity Act, the Fair Housing Act, Executive Order 11063, or orders of the Board. During the probation period, the Board may impose reasonable additional requirements on a mortgagee including supervision of the mortgagee's activities by the Federal Housing Administration, periodic reporting to the Federal Housing Commissioner, or submission to Federal Housing Administration audits of internal financial statements, audits by an independent certified public accountant, or other audits.

"(C) SUSPENSION.—The Board may issue an order suspending a mortgagee's approval for doing business with the Federal Housing Administration if there exists adequate evidence of a violation or violations and continuation of the mortgagee's approval pending or at the completion of any audit, investigation, or other review, or such administrative or other legal proceedings as may ensue, would not be in the public interest or in the best interests of the Department. A suspension shall last for not less than 6 months. During the period of suspension, the Federal Housing Administration shall not commit to insure any mortgage originated by the suspended mortgagee.

"(D) WITHDRAWAL.—The Board may issue an order withdrawing a mortgagee if the Board has made a determination of a serious violation or repeated violations by the mortgagee. The Board shall determine the terms of such withdrawal, but the term shall be not less than 1 year. Where the Board has determined that the

violation is
reckless or willful, the withdrawal shall be
permanent.

"(E) SETTLEMENTS.—The Board may at any
time enter
into a settlement agreement with a
mortgagee to resolve
any outstanding grounds for an action.
Agreements may
include provisions such as—

"(i) cessation of any violation:

"(ii) correction or mitigation of the
effects of any
violation:

"(iii) repayment of any sums of money
wrongfully or
incorrectly paid to the mortgagee by a
mortgagor, by a
seller or by the Federal Housing
Administration:

"(iv) actions to collect sums of money
wrongfully or
incorrectly paid by the mortgagee to a
third party:

"(v) indemnification of the Federal
Housing Administration for mortgage insurance claims
on mortgages
originated in violation of Federal Housing
Administration
requirements:

"(vi) modification of the length of the
penalty
imposed; or

"(vii) implementation of other
corrective measures
acceptable to the Secretary.